

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval to increase meter installation fees to conform to current cost in Lake County by Sun Communities Finance, LLC d/b/a Water Oak Utility.

DOCKET NO. 020388-WS
ORDER NO. PSC-02-1831-TRF-WS
ISSUED: December 20, 2002

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

ORDER APPROVING INCREASE IN METER INSTALLATION FEES

BY THE COMMISSION:

Sun Communities Finance, LLC d/b/a Water Oak Utility (Sun Communities or utility) is a Class C water and wastewater utility located in Lake County. The utility provides water service to approximately 821 residential customers and 29 general service customers and wastewater service to approximately 811 residential customers and 20 general service customers in Water Oak Country Club Estates, a mobile home community. The utility was granted Water Certificate No. 454-W and Wastewater Certificate No. 388-S pursuant to Order No. 16150, issued May 23, 1986, in Docket No. 850517-WS. The utility's rate base was last established pursuant to Order No. PSC-00-1301-CO-WS, issued July 19, 2000, in Docket No. 990243-WS. The utility's 2001 Annual Report shows annual operating revenues of \$118,071 and \$133,445, operating expenses of \$139,368 and \$190,666, and a net operating loss of \$21,297 and \$57,221 for water and wastewater, respectively.

On April 25, 2002, the utility filed an application to increase meter installation fees. By Order No. PSC-02-0905-PCO-WS,

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issued July 8, 2002, we suspended the tariff filing pending further investigation.

We have jurisdiction pursuant to Section 367.091, Florida Statutes.

Meter Installation Fees

In Order No. PSC-00-1301-CO-WS, issued July 19, 2000, in Docket No. 990243-WS, we approved the current meter installation fee of \$100. Until recently, the utility was using a development company's maintenance personnel to install meters. The utility stated that given the growth in the area and the need to install irrigation meters when requested by customers, it has had to seek outside contractors for this task. Further, neither the utility nor the developer have the manpower on staff to install meters in a timely manner. According to the utility, demand for meter installations is very sporadic and meter installation activity is not sufficient for the utility or the developer to justify hiring an additional part-time person to perform this function. In addition, the utility has indicated that the cost to hire a part-time person would be more expensive than contracting the work out on an as-needed basis. The utility estimates approximately 28 new meters will need to be set each year. The cost for a contractor to install 28 meters at \$190 each would be approximately \$5,320; the cost for a part-time person was estimated at \$12,000 annually. Further, the utility stated that its experience in hiring part-time people results in tremendous turnover and great difficulty in finding a qualified individual who is reliable and knowledgeable in performing the meter installation functions.

The utility filed a tariff request for approval to increase its meter installation fee from \$100 to \$190. Section 367.091(6), Florida Statutes, authorizes the utility to file an application to establish, increase, or change a rate or charge other than monthly rates or service availability charges. However, the application must be accompanied by cost justification. The utility sought bids from four plumbing companies for installation of meters; only one of the plumbing companies responded. The utility provided the following proposal from Kiley and Sons, Inc.:

	<u>Cost Per Proposal</u>
METER & PARTS	\$65
TRANSPORTATION & USE OF TOOLS	\$15
LABOR	<u>\$110</u>
TOTAL	<u>\$190</u>

We reviewed the proposal and surveyed plumbing companies in the vicinity to determine whether the costs submitted were reasonable. Our survey confirmed the utility's difficulty in locating a company with a less expensive rate. Based on the survey, we find that the proposal is reasonable.

We approved meter installation fees of \$200 for Century Estates Utilities, Inc. by Order No. PSC-95-0187-FOF-WU, issued February 8, 1995, in Docket No. 940292-WU and for Wellaqua Company by Order No. PSC-95-0421-FOF-WU, issued March 28, 1995, in Docket No. 940340-WU. By Order No. PSC-98-1572-FOF-WS, issued November 23, 1998, in Docket No. 980307-WS, we approved a meter installation fee of \$193 for Zellwood Station Coop, Inc. More recently, we approved a meter installation fee of \$189 for The Woodlands of Lake Placid, L.P. by Order No. PSC-02-0250-PAA-WS, issued February 26, 2002, in Docket No. 990374-WS. Accordingly, we find that the \$190 meter installation fee requested by Sun Communities is reasonable and consistent with meter installation fees for other utilities.

Further, we find that Second Revised Tariff Sheet Nos. 17.0, 24.0, 16.0, and 22.0, increasing Sun Communities' meter installation fees to \$190, are hereby approved as filed. The meter installation fee shall become effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(2), Florida Administrative Code.

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Based on the foregoing, it is

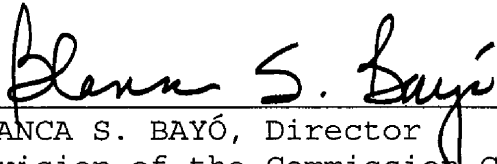
ORDERED by the Florida Public Service Commission that Sun Communities Finance, LLC d/b/a Water Oak Utility's request to increase meter installation fees is hereby approved as set forth in this Order. It is further

ORDERED that the meter installation fee shall become effective for connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code, provided the customers have received notice. It is further

ORDERED that if a timely protest is filed within 21 days of the issuance date of the Order, the tariff shall remain in effect with any increase held subject to refund pending the resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 20th day of December, 2002.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

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NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 10, 2003.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.